
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Next Media Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities in the Company.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

**CONNECTED TRANSACTION
INVOLVING AWARD OF NEW SHARES TO DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Independent Financial Adviser



A notice convening the Extraordinary General Meeting of Next Media Limited to be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Friday, 31 July 2015 at 3:30 p.m. is set out on pages 35 to 36 of this circular. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:30 p.m. on 31 July 2015 and/or the Hong Kong Observatory has announced at or before 1:30 p.m. on 31 July 2015 that either of the above mentioned warnings is to be issued within the next two hours, the Extraordinary General Meeting shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:30 p.m. to 3:30 p.m. and in such case the Extraordinary General Meeting shall be held at 3:30 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong.

Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of Next Media Limited at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting or any adjournment thereof should you so wish.

15 May 2015

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Letter from the Independent Board Committee	8
Letter from the Independent Financial Adviser	9
Appendix	30
Notice of Extraordinary General Meeting	35

DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following expressions have the following meanings:

“2014 EGM”	an extraordinary general meeting duly convened and held on 31 July 2014 approving the issue of the Award Shares to Mr. Fok, Mr. Wong and Dr. Lee
“associate(s)”	has the meaning as ascribed to it in the Listing Rules
“Award Date”	13 April 2015, being the date on which new Shares are conditionally awarded to Dr. Hamm
“Award Shares”	an aggregate of 300,000 new Shares to be allotted and issued to Dr. Hamm
“Board”	the board of Directors of the Company
“Business Day”	a day (not being Saturday, Sunday or public holiday) on which banks in Hong Kong generally are open for business
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Controlling Shareholder”	Mr. Lai Chee Ying, Jimmy, who together with his associates hold 1,786,533,165 Shares, representing approximately 73.49% of the issued Shares as at the Latest Practicable Date
“Director(s)”	the director(s) of the Company
“Dr. Hamm”	Dr. Bradley Jay Hamm, an independent non-executive Director
“Dr. Lee”	Dr. Lee Ka Yam, Danny, an independent non-executive Director
“EGM Notice”	the notice convening the Extraordinary General Meeting, which is set out on pages 35 to 36 of this circular
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Company to be held on Friday, 31 July 2015 at 3:30 p.m.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	the board committee comprising all independent non-executive Directors except Dr. Hamm, which has been established to give advice to the Independent Shareholders in respect of the issue of the Award Shares
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in Securities) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance, being the independent financial adviser which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the issue of the Award Shares
“Independent Shareholders”	all Shareholders other than Dr. Hamm
“Latest Practicable Date”	12 May 2015, the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fok”	Mr. Fok Kwong Hang, Terry, an independent non-executive Director
“Mr. Wong”	Mr. Wong Chi Hong, Frank, an independent non-executive Director
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

Executive Directors:

Cheung Ka Sing, Cassian (*Interim Chairman
and Chief Executive Officer*)
Ting Ka Yu, Stephen (*Chief Operating Officer
and Chief Financial Officer*)
Ip Yut Kin

Registered office:

1st Floor
8 Chun Ying Street
Tseung Kwan O Industrial Estate
Tseung Kwan O
New Territories
Hong Kong

Independent Non-Executive Directors:

Fok Kwong Hang, Terry
Wong Chi Hong, Frank
Lee Ka Yam, Danny
Bradley Jay Hamm

15 May 2015

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
INVOLVING AWARD OF NEW SHARES TO DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

We refer to the announcement of the Company dated 13 April 2015 in which the Company announced that it has, on the Award Date, conditionally awarded the Award Shares to Dr. Hamm, being an independent non-executive Director, subject to conditions and compliance with the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with further details of the award of the Award Shares and to provide you with the Letter from the IBC, the letter from Octal Capital and the EGM Notice.

LETTER FROM THE BOARD

THE SHARE AWARD

The key terms of the proposed issue of Award Shares are set out below.

- Number of new Shares conditionally awarded : 300,000 Shares, representing approximately 0.0123% of the existing total issued Shares of the Company and 0.0123% of the total issued Shares of the Company as enlarged by the issue of the Award Shares (assuming no change in the total issued Shares of the Company between the date of this announcement and the date of issue of the Award Shares)
- Subscription price : As the Shares are to be issued as award, a nominal sum of HK\$10 will be payable by Dr. Hamm on each issue of Award Shares
- Value of Award Shares : HK\$231,000 in aggregate which is calculated using the closing price of the Share of HK\$0.77 on the Award Date
- Conditions and timing of issue : The proposed issue of Award Shares are subject to the following conditions:
- (a) Independent Shareholders approving the issue of the Award Shares; and
 - (b) the Stock Exchange granting the listing of and permission to deal in the Award Shares.

Subject to Dr. Hamm remaining as a Director on each issue date, the new Shares will be issued in accordance with the following timetable:

- (i) 100,000 new Shares on the first anniversary of the Award Date;
- (ii) 100,000 new Shares on the second anniversary of the Award Date; and
- (iii) 100,000 new Shares on the third anniversary of the Award Date.

Dr. Hamm holds outstanding options exercisable into 510,000 Shares. Assuming that all his options are exercised and all the Award Shares are granted to him and assuming no change in his shareholding, Dr. Hamm will hold a total of 810,000 Shares. Together with the Award Shares, he will not hold more than 1% of the total issued Shares of the Company as a result of the issue of the Award Shares to him, being one of the factors in assessing his independence under Rule 3.13 of the Listing Rules.

LETTER FROM THE BOARD

A total of HK\$30 is payable by Dr. Hamm for the subscription of the Award Shares. There will be no net proceeds (and therefore no net price per Award Share) from the issue of the Award Shares after deduction of expenses. Based on the aggregate gross proceeds of HK\$30 and a total of 300,000 Award Shares, the issue price per Award Share is HK0.01 cent.

Assuming there is no change in the total issued Shares of the Company after the date of this announcement, the 300,000 Award Shares in total represent approximately 0.0123% of the total issued Shares of the Company as at the Latest Practicable Date and approximately 0.0123% of the total issued Shares of the Company as enlarged by the issue of all the Award Shares. The Award Shares have no nominal value.

For the purposes of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Dr. Hamm has total interests in 810,000 Shares, representing approximately 0.0333% of the total issued Shares of the Company as at the Latest Practicable Date.

REASONS FOR THE ISSUE OF AWARD SHARES

Currently, the Board comprises four independent non-executive Directors, namely, Mr. Fok, Mr. Wong, Dr. Lee and Dr. Hamm. They were paid Director's fee for the year ended 31 March 2015 (Mr. Fok: HK\$330,000, Mr. Wong: HK\$300,000, Dr. Lee: HK\$300,000 and Dr. Hamm: HK\$19,534 on a prorated basis from 1 March 2015, his date of appointment, to 31 March 2015, both days inclusive). On 30 June 2014, the Company conditionally awarded a total of 930,000 award shares to Mr. Fok (330,000 Shares), Mr. Wong (300,000 Shares) and Dr. Lee (300,000 Shares), which was duly approved by the independent shareholders at the 2014 EGM.

Subject to the approval by the Shareholders at the 2015 annual general meeting of the Company, Dr. Hamm will be paid Director's fee for the year ending 31 March 2016 at such amount as recommended by the Remuneration Committee and approved by the Board. The proposed issue of the new Award Shares provides an additional form of reward to Dr. Hamm on similar terms as those award shares offered to Mr. Fok, Mr. Wong and Dr. Lee on 30 June 2014. The number of Award Shares is determined by the Board after taking into consideration factors such as market practices, years of service, role and responsibilities as well as the annual Directors' fee and award shares offered to each independent non-executive Director. In addition to performing his duties as an independent non-executive Director, Dr. Hamm is also a member of the nomination committee of the Company responsible for reviewing potential candidacy for Directors. In particular, as he is an independent non-executive Director, Dr. Hamm is responsible for reviewing any potential and existing connected transactions of the Company. The Board (including the other three independent non-executive Directors, namely, Mr. Fok, Mr. Wong and Dr. Lee) is of the view that the terms of issue of the Award Shares to Dr. Hamm are fair and reasonable and in the interests of the Shareholders as a whole. Dr. Hamm has abstained from voting on the resolutions of the Board approving the issue of the Award Shares to him.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Dr. Hamm, being an independent non-executive Director, is a connected person of the Company. Accordingly, the issue of Award Shares is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. An Independent Board Committee (excluding Dr. Hamm) comprising Mr. Fok, Mr. Wong and Dr. Lee, all being independent non-executive Directors, has been established to give advice to the Independent Shareholders. An EGM will be convened at which Independent Shareholders will consider and vote by way of poll on the issue of the Award Shares to Dr. Hamm. Dr. Hamm and his respective associates are required to abstain from voting on the relevant resolution in respect of issue of the Award Shares. An Independent Financial Adviser has been appointed to advise the Independent Board Committee as to whether the terms of issue of the Award Shares are fair and reasonable and whether they are in the interests of the Company and the Shareholders as a whole and the Independent Board Committee will advise the Independent Shareholders as to how to vote on the resolution approving the issue of the Award Shares at the EGM.

Dr. Hamm, being the awardee of the Award Shares, is considered as having material interests in the proposed issue and therefore will not provide any recommendation to the Independent Shareholders on the terms of issue of the Award Shares and as to how to vote.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Award Shares to be issued to by Dr. Hamm.

EXTRAORDINARY GENERAL MEETING

The EGM Notice is set out on pages 35 to 36 of this circular. The ordinary resolution in respect of the issue of the relevant Award Shares to Dr. Hamm will be proposed at the EGM. Any connected person with a material interest in the grant of Award Shares, and any Shareholder with a material interest in the grant of Award Shares and their respective associates, will not vote on the resolution to be proposed at the EGM.

Dr. Hamm, being the awardee of the Award Shares, is considered as having material interests in the grant of Award Shares. As at the Latest Practicable Date, Dr. Hamm has total interests in 810,000 Shares, representing approximately 0.0333% of the total issued Shares of the Company as at the Latest Practicable Date. Dr. Hamm does not hold any Shares as at the Latest Practicable Date but if he holds any Shares on the date of the EGM, he and his associate(s) (to the extent they hold any Shares) are required to abstain from voting at the EGM. As far as the Company is aware, except for Dr. Hamm and his associates, no other Shareholder is required to abstain from voting at the EGM. The Controlling Shareholder has indicated that he intends to vote in favour of the ordinary resolution to be proposed at the EGM in respect of his shareholdings in the Company.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than

LETTER FROM THE BOARD

48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolution set out in the EGM Notice will be voted by way of poll.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

RECOMMENDATION

Having considered the reasons set out in the section headed “Reasons for the Issue of Award Shares” in this circular, the Directors (excluding Dr. Hamm) are of the view that the terms of issue of the Award Shares to Dr. Hamm are fair and reasonable and in the interests of the Shareholders as a whole. Accordingly, the Directors (excluding Dr. Hamm) recommend all Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

GENERAL INFORMATION

Your attention is drawn to the letter from the IBC and the letter from Octal Capital set out on page 8 and pages 9 to 29 respectively of this circular, and the additional information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
Cheung Ka Sing, Cassian
*Interim Chairman and
Chief Executive Officer*



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

15 May 2015

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
INVOLVING AWARD OF NEW SHARES TO DIRECTOR**

We refer to the circular of Next Media Limited (the “Company”) dated 15 May 2015 (the “Circular”) of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context requires otherwise.

We have been authorized by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the issue of the Award Shares are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Octal Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the issue of the Award Shares and whether they are in the interests of the Company and the Shareholders as a whole. We wish to draw your attention to the letter from Octal Capital as set out on pages 9 to 29 of the Circular and the letter from the Board as set out on pages 3 to 7 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of Octal Capital stated in its letter, we consider that the terms of the issue of Award Shares are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the proposed ordinary resolution in relation to the Award Shares at the EGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Next Media Limited

Fok Kwong Hang, Terry
Wong Chi Hong, Frank
Lee Ka Yam, Danny
Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser, for incorporation in this circular, setting out its recommendation to the Independent Board Committee and the Independent Shareholders in relation to the issue of the Award Shares.



801–805, 8/F, Nan Fung Tower,
88 Connaught Road Central,
Hong Kong

15 May 2015

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION INVOLVING AWARD OF NEW SHARES TO DIRECTOR

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the issue of the Award Shares to a Director and terms thereof, particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) of the circular to the Shareholders dated 15 May 2015 (the “**Circular**”) and in which this letter is reproduced. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

As set out in the Letter from the Board, on 13 April 2015, the Company has conditionally awarded the Award Shares to Dr. Hamm, being an independent non-executive Director, subject to conditions and compliance with the reporting, announcement and Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Dr. Hamm, being an independent non-executive Director, is a connected person of the Company. Accordingly, the award of the Award Shares by the Company to Dr. Hamm is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The EGM will be convened at which Independent Shareholders will consider and vote by way of poll on the award of the Award Shares to Dr. Hamm. Dr. Hamm, being the awardee of the Award Shares, is considered as having material interests in the grant of the Award Shares. As at the Latest Practicable Date, for the purposes of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Dr. Hamm has total interests in 810,000 Shares, representing approximately 0.0333% of the total issued Shares of the Company as at the Latest Practicable Date. As such, Dr. Hamm and his associate(s) are required to abstain from voting at the EGM. The Controlling Shareholder has indicated that he intends to vote in favour of the ordinary resolution to be proposed at the EGM in respect of his shareholdings in the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We, Octal Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of issue of the Award Shares are fair and reasonable and whether they are in the interests of the Company and the Shareholders as a whole.

We are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or associates and are therefore considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. During the last two years, we did not have any engagement with the Company or Dr. Hamm and no arrangement exists whereby we will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or associates or Dr. Hamm or any of his associates.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also relied on our discussion with the Directors and management of the Company regarding the Group, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and management of the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, its subsidiaries or Dr. Hamm or their respective associates nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the issue of the Award Shares, we have considered the following principal factors and reasons:

1. Background information of the awardee

Dr. Hamm, being the awardee of the Award Shares, was appointed as an independent non-executive Director and a member of the Nomination Committee of the Company with effect from 1 March 2015. Dr. Hamm, aged 50, is currently the dean of Medill School of Journalism, Media, Integrated Marketing Communications of Northwestern University in the U.S.A. Previously, he was the dean for seven years of the Indiana University School of Journalism. Dr. Hamm has obtained his doctor of philosophy in mass communication research from the University of North Carolina, a master's degree in journalism from the University of South Carolina and an undergraduate degree from Catawba College in North Carolina. He was the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

associate dean of the School of Communications at Elon University in North Carolina. Dr. Hamm has taught study-abroad programs in Japan, China and Great Britain and started his career as a newspaper reporter. His teaching and research interests are in journalism history and media theory, particularly agenda setting theory. He was selected for the Distinguished Alumni Award from the University of South Carolina's College of Mass Communications and Information Studies in 2009 and the Distinguished Alumni Award from Catawba College in 2011. He is a member of the Poynter Institute's Board of Trustees and a judge for the annual Scripps Howard Journalism Awards.

Having considered the responsibilities, the experiences and the past performance of Dr. Hamm, the Company considers that Dr. Hamm possesses the professional qualifications and expertise to act as an independent non-executive Director.

We have reviewed his appointment letter (the "**Appointment Letter**") and noted that his major responsibilities include, but not limited to, (i) participating in the meetings of the Board to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct; (ii) taking the lead where potential conflicts of interests arise; (iii) serving on the audit, remuneration, nomination and other governance committees, if invited; and (iv) scrutinizing the performance of the Company in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

There is no service contract entered into between Dr. Hamm and the Company for his appointment as an independent non-executive director of the Company. He has been appointed for a fixed term of two years from 1 March 2015 to 28 February 2017, subject to the provisions relating to re-election and retirement by rotation at annual general meeting as stipulated in the articles of association of the Company. He is entitled to receive a Director's fee per annum in such sum as recommended by the Remuneration Committee of the Company and approved by the Board with reference to his responsibility and prevailing market practices by the end of each financial year. It is the policy of the Company to determine the fees of the independent non-executive Directors in line with market practice and reflect the workload, job complexity and responsibilities involved. For the year ended 31 March 2015, the Director's fee was fixed at HK\$200,000 per annum and the additional fee for serving as a member of the Nomination Committee of the Company was fixed at HK\$30,000 per annum. The Company will also reimburse a director for all reasonable and properly documented expenses he/she incurs in performing the duties as a Director, including travelling, hotel and incidental expenses of attending the returning from meetings of the Board or Board committees or annual general meeting or other general meetings. Accordingly, the total director's emolument was determined to be HK\$230,000 per annum. On 2 March 2015, a share option was granted by the Company under its share option scheme adopted on 31 July 2014 to Dr. Hamm to subscribe for 510,000 Shares at a subscription price of HK\$0.760 per Share.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Board meets regularly and holds quarterly meetings to review and consider the Company's operations, financial results and other relevant matters identified by the Directors. The Board has established an audit committee, a remuneration committee, a nomination committee and several other committees as integral elements of good corporate governance and to oversee relevant aspects of the affairs of the Company. The Nomination Committee of the Company, of which Dr. Hamm has been appointed as a member, is primarily responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board as and when appropriate.

2. Reasons for the award of the Award Shares

The Group is principally engaged in the publication and printing of newspapers, magazines and books in Hong Kong and Taiwan. It also sells advertising space in those and on its Web portals as well as subscriptions to the Web portals. Furthermore, it provides printing and reprographic services, delivers Internet contents and develops mobile games and online apps.

Currently, the Board comprises four independent non-executive Directors, namely, Mr. Fok, Mr. Wong, Dr. Lee and Dr. Hamm and their respective Director's fees and benefits-in-kind which included share awards and share options granted since their appointment are tabulated below:

	Mr. Fok	Mr. Wong	Dr. Lee	Dr. Hamm
<i>Director's fees:</i>				
For the year ended 31 March 2015 (HK\$)	330,000	300,000	300,000	19,534
<i>Share awards:</i>				
— Number of shares granted (Shares)	330,000	300,000	300,000	300,000
— Date of grant	30 June 2014	30 June 2014	30 June 2014	13 April 2015
— Subscription price	HK\$33	HK\$30	HK\$30	HK\$30
<i>Share options:</i>				
— Number of options granted (options)	510,000	510,000	510,000	510,000
— Date of grant	10 December 2010	10 December 2010	10 December 2010	2 March 2015
— Exercise price per Share	HK\$1.05	HK\$1.05	HK\$1.05	HK\$0.76
<i>Service as a member of Board Committee(s)</i>	1. Audit Committee 2. Remuneration Committee 3. Nomination Committee	1. Audit Committee 2. Nomination Committee	1. Audit Committee 2. Remuneration Committee	1. Nomination Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We were advised by the management of the Company that for the year ended 31 March 2015, the Director's fee was fixed at HK\$200,000 per annum and an additional fee for serving as a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company was fixed at HK\$70,000 per annum, HK\$30,000 per annum and HK\$30,000 per annum respectively, and the sum of the Directors' fee in the amount of not exceeding HK\$3,000,000 for the year ended 31 March 2015 was duly approved by the Shareholders of the Company at its 2014 annual general meeting held on 31 July 2014.

Dr. Hamm was paid a Director's fee of HK\$19,534 for the year ended 31 March 2015 which represents a pro-rated amount of the annual Director's fee of HK\$200,000 and the additional fee of HK\$30,000 for his service as a member of the Nomination Committee of the Company for the period from 1 March 2015, his date of appointment, to 31 March 2015, both days inclusive. We noted from the above table that the remuneration of each of the other three independent non-executive Directors was determined based on the same annual Director's fee of HK\$200,000 plus their respective additional fees for their service as members of the Board Committees.

Moreover, Dr. Hamm was granted 510,000 share options under the Company's share option scheme adopted on 31 July 2014. As noted from the above table, each of the other three independent non-executive Directors was also granted the same number of share options under the Company's share option scheme adopted on 30 July 2007. Their respective exercise prices per Share were determined on the date of grant in accordance with the Company's share option schemes adopted on 30 July 2007 and 31 July 2014 respectively. The granting of the share options to each of the independent non-executive Directors is subject to certain vesting conditions and such vesting conditions are the same for each of them.

Further, the number of Award Shares granted to Dr. Hamm was similar to the number of Shares awarded to the other three independent non-executive Directors which was in proportion to their respective level of annual Director's fees. The granting of the share awards to each of the independent non-executive Directors is subject to certain vesting conditions and such vesting conditions are the same for each of them.

Upon comparison, we noted that the level of the Director's fee and the benefits-in-kind of Dr. Hamm are similar to each of the three independent non-executive Directors of the Company.

Subject to the approval by the Shareholders at the 2015 annual general meeting of the Company, Dr. Hamm will be paid a Director's fee for the year ending 31 March 2016 at such amount as recommended by the Remuneration Committee and approved by the Board. The proposed issue of the new Award Shares provides an additional form of reward to Dr. Hamm on similar terms as those award shares offered to Mr. Fok, Mr. Wong and Dr. Lee on 30 June 2014. The number of Award Shares was determined by the Board after taking into consideration factors such as market practices, years of service, role and responsibilities as well as the annual Directors' fee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and the award shares offered to each independent non-executive Director. In addition to performing his duties as an independent non-executive Director, Dr. Hamm is also a member of the nomination committee of the Company responsible for reviewing potential candidacy for Directors. In particular, as he is an independent non-executive Director, Dr. Hamm is responsible for reviewing any potential and existing connected transactions of the Company. The Board (including the other three independent non-executive Directors, namely, Mr. Fok, Mr. Wong and Dr. Lee) is of the view that the terms of issue of the Award Shares to Dr. Hamm are fair and reasonable and in the interests of the Shareholders as a whole. Dr. Hamm has abstained from voting on the resolutions of the Board approving the issue of the Award Shares to him.

We were advised by the management of the Company that issuing the Award Shares to Dr. Hamm is a form of equity award providing him with a direct economic interest in attaining the long term business objectives of the Group. The Company has considered other alternatives to reward the independent non-executive Directors, including increasing the Director's fee by cash payment and the grant of share options. However, after considering the current remuneration package of the independent non-executive Directors including the Director's fee, share options and shares award entitlements of the other three independent non-executive Directors, the Company has resolved to issue the Award Shares to Dr. Hamm in order to ensure that Dr. Hamm enjoys the same remuneration package as for the other three independent non-executive directors.

In respect of the alternative of increasing the Director's fee, it will incur cash outflow by the Company and it cannot serve the purpose of giving rewards in equity form to enable the awardee to enjoy the potential growth of the Company. In respect of the alternative of granting of share options, exercising the share options will require payment of subscription price by the option holder who can only enjoy the potential reward if and when the option holder realizes the exercised shares above the subscription price. As for the issue of the Award Shares, the awardee is only required to pay a nominal subscription price of HK\$10 for each tranche of the Award Shares. Given the Company intends to attract, motivate and retain the independent non-executive Director to participate in, and contribute to, the future development and growth of the Group with minimal cash outflow by the Company, the Company considers, and we concur with its view, that the issue of the Award Shares is an appropriate mean to award the independent non-executive Director.

Having considered the reasons and factors mentioned above, we consider that the issue of the Award Shares and the number of Award Shares granted to Dr. Hamm is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Principal terms of the issue of the Award Shares

The principal terms of the issue of the Award Shares to Dr. Hamm are set out as follows:

- Number of new Shares conditionally awarded** : 300,000 Shares, representing approximately 0.0123% of the existing total issued Shares of the Company and approximately 0.0123% of the total issued Shares of the Company as enlarged by the issue of all the Award Shares (assuming no change in the total issued Shares of the Company between the Latest Practicable Date and the date of issue of all Award Shares)
- Subscription price** : As the Shares are to be issued as awards, a nominal sum of HK\$10 will be payable by Dr. Hamm on each tranche of the Award Shares
- Value of Award Shares** : HK\$231,000 in aggregate which is calculated using the closing price of the Share of HK\$0.77 on the Award Date
- Conditions and timing of issue** : The proposed issue of Award Shares are subject to the following conditions:
- (a) Independent Shareholders approving the issue of the Award Shares; and
 - (b) the Stock Exchange granting the listing of and permission to deal in the Award Shares.
- Subject to Dr. Hamm remaining as a Director on each of the following issue dates, the new Shares will be issued in accordance with the following timetable:
- (i) 100,000 new Shares on the first anniversary of the Award Date;
 - (ii) 100,000 new Shares on the second anniversary of the Award Date; and
 - (iii) 100,000 new Shares on the third anniversary of the Award Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, Dr. Hamm holds outstanding options exercisable into 510,000 Shares. Assuming that all his options are exercised and all the Award Shares are granted to him and assuming no change in his shareholding, Dr. Hamm will hold a total of 810,000 Shares. Together with the Award Shares, he will not hold more than 1% of the total issued Shares of the Company as a result of the issue of the Award Shares to him and, accordingly, is still in compliance with the independence requirement under Rule 3.13 of the Listing Rules.

To assess the fairness and reasonableness of the terms of the issue of the Award Shares, we have compared such terms with those of other share awards granted by comparable companies which are listed on the Stock Exchange. Based on the information available from the Stock Exchange's website, we have, to our best knowledge, identified seventeen comparable issuance by 14 companies (the "**Grant Comparables**") which had announced the granting of award shares to their employees and/or directors during the period (the "**Review Period**") from 14 April 2014, being twelve months preceding the Award Date, to the Latest Practicable Date for comparison purposes. We consider that the length of the Review Period is a commonly adopted time span for our analysis which covers sufficient number of comparable companies to reflect the current practice in the market in respect of the granting of award shares. This could also avoid a biased result obtained within a short period of time.

A comparison of the terms of the issue of the Award Shares and those of the Grant Comparables is set out in Table 1 below.

Table 1 — Issue Terms of the Grant Comparables and the Company

Company name (stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to the total issued share capital	Percentage of number of award shares to each individual awardee to the total issued share capital	Vesting period
IGG INC (8002)	23 March 2015	Eligible persons who are not connected persons of the company	0.21%	N/A (<i>Note</i>)	4 years
Evergreen International Holdings Limited (238)	23 January 2015	Eligible persons who are not connected persons of the company	1.08%	N/A (<i>Note</i>)	1 year and 3 months
Tang Palace (China) Holdings Limited (1181)	19 January 2015	Eligible persons who are not connected persons of the company	0.317%	N/A (<i>Note</i>)	Not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to the total issued share capital	Percentage of number of award shares to each individual awardee to the total issued share capital	Vesting period
IGG INC (8002)	21 November 2014	Eligible persons who are not connected persons of the company	0.024%	N/A (<i>Note</i>)	4 years
Freetech Road Recycling Technology (Holdings) Limited (6888)	16 October 2014	2 executive directors and eligible persons who are not connected persons of the company	0.138%	N/A (<i>Note</i>)	1 year
Da Ming International Holdings Limited (1090)	15 October 2014	Executive directors and family member and relatives of a director and substantial shareholder; eligible persons who are not connected persons of the company	1.132%	N/A (<i>Note</i>)	1 year
Biostime International Holdings Limited (1112)	10 October 2014	Executive directors and eligible persons who are not connected persons of the company	0.109%	N/A (<i>Note</i>)	1 year
China Mengniu Dairy Company Limited (2319)	19 September 2014	An executive director	0.008%	0.008%	2 years
PanAsialum Holdings Company Limited (2078)	25 August 2014	Employees	0.192%	N/A (<i>Note</i>)	1 day from the date of grant
IGG INC (8002)	11 August 2014	Eligible persons who are not connected persons of the company	0.07%	N/A (<i>Note</i>)	4 years
First Pacific Company Limited (142)	15 July 2014	An employee	0.02%	0.02%	Not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to the total issued share capital	Percentage of number of award shares to each individual awardee to the total issued share capital	Vesting period
Tencent Holdings Limited (700)	10 July 2014	Eligible persons who are not connected persons of the company	0.21%	N/A (<i>Note</i>)	Not mentioned
China Huiyuan Juice Group Limited (1886)	3 July 2014	An employee	0.06%	0.06%	Not mentioned
Powerlong Real Estate Holdings Limited (1238)	29 May 2014	Executive directors and employees	0.22%	In the range of 0.01% and 0.02% for the directors (<i>Note</i>)	Around 3 years, of which 50% vest on 1 July 2016 and 50% vest on 1 July 2017
Semiconductor Manufacturing International Corporation (981)	29 April 2014	An executive director	0.10%	0.10%	4 years
Biostime International Holdings Limited (1112)	22 April 2014	Employees	0.21%	N/A (<i>Note</i>)	Around 8 months from the date of grant
PanAsialum Holdings Company Limited (2078)	16 April 2014	Employees	0.26%	N/A (<i>Note</i>)	1 day from the date of grant
		Maximum	1.132%	0.10%	4 years
		Minimum	0.008%	0.01%	1 day
The Company (282)	13 April 2015	Independent non-executive Director	0.0123%	0.0123%	3 years

Source: the website of the Stock Exchange

Note: No disclosure of the percentages of number of award shares to each individual awardee to the total issued share capital was made in the announcements of the Grant Comparables.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in Table 1, the percentage of the total number of award shares to the total issued share capital of the Grant Comparables ranges from approximately 0.008% to 1.132% while the percentage of the number of award shares to each individual awardee to the total issued share capital of the Grant Comparables ranges from approximately 0.01% to 0.10%. The vesting period of the Grant Comparables ranges from 1 day to 4 years. The percentage of the total number of Award Shares to the total issued share capital of the Company of approximately 0.0123% is within the range of the Grant Comparables. The vesting period of 3 years of the Award Shares of the Company falls within the range of the vesting period of the Grant Comparables.

To further assess the fairness and reasonableness of the terms of the issue of the Award Shares, we have also compared such terms with those of the share award schemes adopted by comparable companies which are listed on the Stock Exchange. Based on the information available from the Stock Exchange’s website, we have, to our best knowledge, identified thirty-six comparable companies (the “**Scheme Comparables**”) which had announced the adoption of share award scheme during the period (the “**Scheme Review Period**”) from 14 April 2014, being twelve months immediately preceding the Award Date, to the Latest Practicable Date for comparison purposes. We consider that the length of the Scheme Review Period is a commonly adopted time span for our analysis which covers sufficient number of comparable companies to reflect the current practice in the market in respect of the granting of award shares. This could also avoid a biased result obtained within a short period of time.

A comparison of the terms of the issue of the Award Shares and those of the share award schemes adopted by the Scheme Comparables is set out in Table 2 below.

Table 2 — Issue Terms of the Scheme Comparables and the Company

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Li & Fung Limited (494)	20 April 2015	Any employee, director, officer, consultant or advisor of any member of the group	3%	Not mentioned	Not mentioned	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Artgo Holdings Limited (3313)	20 April 2015	Any employee, director, officer, agent, consultant, supplier, customer, adviser, business partner or representative of any member of the group	10%	1%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
China Pioneer Pharma Holdings Limited (1345)	10 April 2015	Any selected employee (including without limitation any executive director) of any member of the group	10%	1%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Shui On Land Limited (272)	1 April 2015	Employees of any member of the group	5%	1%	Not mentioned	50% vested in 2 years, 25% vested in approximately 2.5 years, 25% vested in approximately 3.5 years
Fosun International Limited (656)	25 March 2015	An employee, a director, an officer, a consultant or an advisor of any member of the group	5%	0.3%	Not mentioned	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Hengdeli Holdings Limited (3389)	25 March 2015	(i) Any senior management employee, employed by the company and/or its subsidiaries from time to time; and (ii) any consultant employed by the company and/or its subsidiaries	10%	0.5%	Not mentioned	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Hop Hing Group Holdings Limited (47)	20 March 2015	Any of the (i) key management personnel including the directors and senior management of the group; (ii) consultants, experts, agents, representatives of the group; and (iii) employees of the group (whether full time or part time)	10%	1%	Nil	Yes, but the length of the vesting period was not mentioned
National Agricultural Holdings Limited (1236)	23 January 2015	Any employee or director of any member of the group or any consultants and advisers to any member of the group	10%	Not mentioned	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
TSC Group Holdings Limited (206)	16 January 2015	Selected persons determined by the remuneration committee from time to time on the basis of the its opinion as to his contribution to the development and growth of the group	3.00%	Not mentioned	Nil	Not mentioned
MIE Holdings Limited (1555)	7 January 2015	Any employee or consultant of any member of the group or of any affiliate, excluding expressly any core connected person (as defined in the Listing Rules) and connected person (as defined in the Listing Rules)	10%	1%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Haitong International Securities Group Limited (665)	19 December 2014	Any selected employee or director of any member of the group	10%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
KuangChi Science Limited (439)	24 November 2014	Any participant (excluding any excluded employee) after taking into various factors as it deems appropriate for participation in the restricted share award scheme as a selected participant	5.00%	Not mentioned	Nil	Maximum of 10 years and the award shares are vested subject to the fulfillment of certain conditions
China Outfitters Holdings Limited (1146)	4 November 2014	Any selected employees	10%	1.00%	Nil	Yes, the vesting conditions and the length of the vesting period was determined from time to time
Longfor Properties Co. Ltd. (960)	28 October 2014	Any selected employees	3.00%	1.00%	Nil	Yes, the vesting conditions and the length of the vesting period was determined from time to time
Century Ginwa Retail Holdings Limited (162)	17 October 2014	Any member of management and employee of any member of the group, directors, any suppliers, customers, shareholders, advisers (professional or otherwise), joint venture and service providers to any member of the group	Not mentioned	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Yuxing InfoTech Investment Holdings Limited (8005)	6 October 2014	Any employee (excluding any director and any chief executive) of the company or any of its subsidiaries	3.00%	Not mentioned	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Branding China Group Limited (8219)	29 September 2014	Any employee of any member of the group	5.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Shandong Weigao Group Medical Polymer Company Limited (1006)	30 September 2014	Any employee of any member of the group, or any person who, in the sole opinion of the remuneration committee, will contribute or has contributed to any member of the group	5.00%	0.50%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Tonly Electronics Holdings Limited (1249)	28 August 2014	Any selected employees of the group	10.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Earthasia International Holdings Limited (6128)	21 August 2014	Any selected employees of the group	10.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Global Brands Group Holdings Limited (787)	21 August 2014	Any selected employee	2.50%	Not mentioned	Nil	Yes, the award shares are subject to a vesting schedule but the length of the vesting period was not mentioned
Shandong Weigao Group Medical Polymer Company Limited (1066)	15 August 2014	Any employee of any member of the group, or any person who, in the sole opinion of the remuneration committee, will contribute or have contributed to any members of the group	5.00%	Not mentioned	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
LT Commercial Real Estate Limited (112)	8 August 2014	Directors and employees	10.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Galaxy Entertainment Group Limited (27)	8 August 2014	Employees	1.00%	Not mentioned	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Xtep International Holdings Limited (1368)	1 August 2014	Any employee, executives or officer, director of the group, who, in the sole discretion of the board, has contributed or may contribute to the growth and development of the group	5.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Consun Pharmaceutical Group Limited (1681)	21 July 2014	Employees	10.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Phoenix Healthcare Group Co. Ltd. (1515)	7 July 2014	Any of the (i) key management personnel including directors and senior management of the group; (ii) employed experts; and (iii) core employees of the group	5.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Landsea Green Properties Co., Ltd. (106)	2 July 2014	Any employee or director of any member of the group	10.00%	Not mentioned	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Skyworth Digital Holdings Limited (751)	24 June 2014	Any employee, executive or officer or director of any member of the group	2.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Far East Horizon Limited (3360)	11 June 2014	Senior and middle management personnel and other key employees of the group	4.00%	Not mentioned	Nil	4 years, subject to the fulfillment of certain conditions

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Belle International Holdings Limited (1880)	26 May 2014	Member of management of any member of the group	3.00%	0.1%	Nil	Yes, the award shares are subject to a vesting schedule but the length of the vesting period was not mentioned
Freetech Road Recycling Technology (Holdings) Limited (6888)	16 May 2014	Employees (including executive directors)	3.00%	1.0%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Brightoil Petroleum (Holdings) Limited (933)	14 May 2014	Any employees, executive or officer or directors of any member of the group	2.00%	0.5%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
O-net Communications (Group) Limited (877)	9 May 2014	Any employee or director of any member of the group	10.00%	Not mentioned	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
Pou Sheng International (Holdings) Limited (3813)	9 May 2014	Any employee, executive or officer or director of any member of the group	2.00%	1.00%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name (stock code)	Date of announcement	Awardee(s)	Maximum scheme limit (% to the total issued share capital)	Maximum individual entitlement (% to the total issued share capital)	Consideration per award share	Vesting period
Haier Electronics Group Company Limited (1169)	15 April 2014	Directors and employees	1.87%	0.2%	Nil	Yes, the award shares are vested subject to the fulfillment of certain conditions but the length of the vesting period was not mentioned
		Maximum	10.00%	1.00%	Nil	10 years
		Minimum	1.00%	0.10%	Nil	2 years
The Company (282)	13 April 2015	Independent non- executive Director	0.0123%	0.0123%	HK\$0.0001 per Award Share	3 years

Source: the website of the Stock Exchange

As shown in Table 2, the maximum scheme limit of the Scheme Comparables ranges from approximately 1.00% to 10.00% while the maximum individual entitlement ranges from approximately 0.10% to 1.00%. No consideration is required under all the Scheme Comparables. The percentage of total number of Award Shares to the total issued share capital of the Company of approximately 0.0123% falls below the lower end of the respective ranges of the maximum scheme limit of the Scheme Comparables and the maximum individual entitlement of the Scheme Comparables. Moreover, we noted that the share awards to be granted to the awardees under the Scheme Comparables are subject to a vesting period and the fulfillment of certain vesting conditions. Therefore, we consider that it is common in the market that the granting of share award is subject to a vesting period which could align the interests of the awardees to the long term business objectives of the comparable companies. In respect of the length of the vesting period, as only three out of the thirty-six Scheme Comparables had indicated the length of the vesting period in its announcement, we consider that the sample size for comparables of the length of the vesting period under the Scheme Comparables is not sufficient to make a meaningful comparison.

The above comparisons with the Grant Comparables and the Scheme Comparables are for illustrative purposes only as each of the Grant Comparables and the Scheme Comparables may not be entirely comparable to the Group in terms of business activities, market capitalization, scale of operations, financial positions, business performance, future prospects and other relevant criteria. All these factors may affect the terms of issues of award shares as indicated by the varied range of

results in our comparison. Therefore, in forming our opinion, we have considered the results of the above comparison together with all other factors stated in this letter as a whole.

Having considered the abovementioned factors, we consider that the terms of the award of the Award Shares are fair and reasonable so far as the Independent Shareholders are concerned and it is on normal commercial terms.

4. Financial effects of the award of the Award Shares on the Group

Earnings

According to the annual report of the Company for the year ended 31 March 2014, the Group recorded consolidated audited net profit attributable to the Shareholders of approximately HK\$240 million for the year ended 31 March 2014. The award of the Award Shares will slightly decrease the earnings of the Group after deducting the expenses relating to the award of the Award Shares and the director's remuneration to be recorded based on the value of the Award Shares of HK\$231,000 in aggregate which is calculated using the closing price of the Share of HK\$0.77 on the Award Date.

Net asset value

According to the annual report of the Company for the year ended 31 March 2014, the Group recorded consolidated net asset value attributable to owners of the Company of approximately HK\$2,556 million. As the award of the Award Shares will increase share capital of the Group while the increase in director's remuneration will reduce the earnings of the Group, the net effect of the award of the Award Shares on the consolidated net asset value attributable to owners of the Company is minimal.

Cashflow

According to the annual report of the Company for the year ended 31 March 2014, the Group had bank balances and cash of approximately HK\$755 million as at 31 March 2014. The award of the Award Shares will have no effect on the cashflow of the Group. However, on comparison with the alternative of increasing Director's fee by way of cash payment to the independent non-executive Director, the award of the Award Shares can reduce the Group's cash outflow.

5. Potential dilution to the shareholdings of the existing public Shareholders

Assuming there is no change in the total issued share capital of the Company after the Latest Practicable Date and upon issue of all the Award Shares, Dr. Hamm will be interested in 300,000 Shares, representing approximately 0.0123 % of the total issued shares of the Company as enlarged by the issue of the Award Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that the dilution effect on the shareholdings of the existing public Shareholders is immaterial and having considered the reasons as detailed in the section headed “Reasons for the award of the Award Shares” above, and the terms of the award of the Award Shares are fair and reasonable, we are of the opinion that the shareholding dilution to the Independent Shareholders is acceptable so far as the Independent Shareholders are concerned.

RECOMMENDATION

After taking into account the above principal factors and reasons, we consider that the award of the Award Shares is on normal commercial terms and in the ordinary and usual course of business of the Group and the terms of the award of the Award Shares are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Board Committee to advise the Independent Shareholders, and recommend the Independent Shareholders, to vote in favor of the ordinary resolution to be proposed at the EGM to approve the award of the Award Shares.

Yours faithfully,
For and on behalf of
Octal Capital Limited
Alan Fung **Louis Chan**
Managing Director *Director*

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 22 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong. Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 10 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and the chief executives were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules were as follows:

(i) Long positions in ordinary shares and underlying shares of the Company

Name of Director /Chief Executive	Number of Shares				Interests in underlying Shares/ equity derivatives	Total Shares	Percentage of Company's issued share capital
	Personal interests	Family interests	Corporate interests	Other interests			
Cheung Ka Sing, Cassian	18,172,000	—	—	—	19,000,000 <i>(Note 1)</i> 5,000,000 <i>(Note 2)</i>	42,172,000	1.73
Ting Ka Yu, Stephen	90,314	—	—	—	3,118,000 <i>(Note 1)</i>	3,208,314	0.13
Ip Yut Kin	10,200,377	2,630,000	—	—	2,500,000	15,330,377	0.63
Fok Kwong Hang, Terry	2,130,000 <i>(Note 3)</i>	—	—	—	510,000 <i>(Note 1)</i>	2,640,000	0.11
Wong Chi Hong, Frank	300,000 <i>(Note 3)</i>	—	—	—	510,000 <i>(Note 1)</i>	810,000	0.03
Lee Ka Yam, Danny	300,000 <i>(Note 3)</i>	—	—	—	510,000 <i>(Note 1)</i>	810,000	0.03
Bradley Jay Hamm	300,000 <i>(Note 4)</i>	—	—	—	510,000 <i>(Note 2)</i>	810,000	0.03

*(ii) Long positions in underlying shares of the Company's associated corporations**Apple Daily Publication Development Limited ("ADPDL")*

Name of Director /Chief Executive	Number of Shares				Interests in underlying Shares/ equity derivatives	Total Shares	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Other interests			
Ting Ka Yu, Stephen	108,344 <i>(Note 5)</i>	—	—	—	—	108,344	1.00
Ip Yut Kin	216,688 <i>(Note 5)</i>	—	—	—	—	216,688	2.00

nxTomo Ltd. ("nxTomo")

Name of Director /Chief Executive	Number of Shares				Interests in underlying Shares/ equity derivatives	Total Shares	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Other interests			
Cheung Ka Sing, Cassian	—	—	—	—	50,000 <i>(Note 6)</i>	—	0.50

nxTomo Games Limited ("nxTomo Games")

Name of Director /Chief Executive	Number of Shares				Interests in underlying Shares/ equity derivatives	Total Shares	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Other interests			
Cheung Ka Sing, Cassian	—	—	—	—	50,000 <i>(Note 7)</i>	—	0.50

Notes:

1. These interests represent options granted to the Directors as beneficial owners under the share option scheme adopted by the Company on 30 July 2007.
2. These interests represent options granted to the Directors as beneficial owner under the share option scheme adopted by the Company on 31 July 2014.
3. These interests include award shares granted subject to vesting conditions to the independent non-executive Directors as beneficial owners on 30 June 2014.
4. These interests represent award shares granted subject to vesting conditions to the independent non-executive Director on 13 April 2015.
5. These interests represent the shares of ADPDL issued to the Directors upon the exercise of options granted under the share option scheme adopted by ADPDL on 30 July 2007.
6. These interests represent options granted to the Director as a beneficial owner under the share option scheme adopted by nxTomo on 14 June 2013.

7. These interests represent options granted to the Director as a beneficial owner under the share option scheme adopted by nxTomo Games on 20 February 2008.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company was interested in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or the chief executives were taken or deemed to have under such provisions of the SFO) or which are required to be entered into the register maintained by the Company under section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Discloseable interests and short positions of shareholders under the SFO

As at the Latest Practicable Date, so far as is known to any of the Directors or chief executives of the Company, the following person (other than a person who is a Director or chief executive of the Company) had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or which was recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Number of Shares/ underlying shares of the Company held	Percentage of issued share capital
Lai Chee Ying, Jimmy	1,786,533,165	73.49
Li Wan Kam, Teresa	1,786,533,165	73.49
	<i>(Note)</i>	

Note: These represent the same total number of Shares held by Mr. Lai. Ms. Li Wan Kam, Teresa, is the spouse of Mr. Lai, and is deemed to be interested in these Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any of the Directors or chief executives of the Company, the Company had not been notified of any other person (other than the Directors or chief executives of the Company) who had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to

vote in all circumstances at general meetings of any other member of the Group, or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

3. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

4. INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors was materially interested in any contracts or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since 31 March 2014, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, except for the matters described in the profit warning announcement issued by the Company on 5 May 2015, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2014, the date to which the latest published audited accounts of the Group have been made up.

6. LITIGATION

The Group had a dispute with UDL Contracting Limited ("UDL") as contractor for the construction of a printing facility of a subsidiary of the Company, Apple Daily Printing Limited ("ADPL"), over amounts payable in respect of the construction of the facility and legal action was taken by UDL with the High Court against ADPL and Mr. Lai for the claim made in 2007. The proceedings against ADPL had been referred to arbitration. This legal case has no further development since the issue of the audited consolidated financial statements for the year ended 31 March 2009 dated 5 June 2009.

In July 2010, BaWang International (Group) Holdings Limited (as 1st Plaintiff) and BaWang (Guangzhou) Company Limited (as 2nd Plaintiff) (collectively referred to as "BaWang") issued a Writ against Next Magazine Publishing Limited ("Next Magazine") in respect of an article published by Next Magazine alleging, amongst other things, that certain parts of such article were defamatory and/or amounted to a malicious falsehood. Next Magazine filed a Defence to such claim in January 2011. Trial commenced on 2 March 2015. On 10 April 2015 trial was adjourned part heard. Further trial dates have been fixed

in May 2015, June 2015 and August 2015. In the event that trial concludes in August 2015, it is then anticipated that the Trial Judge will reserve his Judgment. It is not known when Judgment will be given.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered, or is proposing to enter, into any service contract with any member the Group which does not expire or may not be terminated by the Company within a year without payment of any compensation (other than statutory compensation).

8. EXPERT

- (a) The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Octal Capital Limited	a corporation licensed to carry out Type 1 (dealing in Securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, Octal Capital Limited had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.
- (c) Octal Capital Limited has given and has not withdrawn its written consent to the issue of this circular, with inclusion of its letter and references to its name in the form and context in which it is included.
- (d) As at the Latest Practicable Date, Octal Capital Limited was not interested, directly or indirectly, in any assets which had since 31 March 2014 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

9. MISCELLANEOUS

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Next Media Limited (the “Company”) will be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Friday, 31 July 2015 at 3:30 p.m. to consider and, if thought fit, passing, with or without amendments, the following ordinary resolution:

ORDINARY RESOLUTION

“THAT the allotment and issue of an aggregate of 300,000 ordinary shares of the Company (“Shares”) to Dr. Bradley Jay Hamm, an independent non-executive director of the Company, at an aggregate subscription price of HK\$30, subject to obtaining approval for the listing of and permission to deal in such new Shares and certain vesting conditions, be and is hereby approved and the directors of the Company be and are hereby authorised to do all such acts and things as may be necessary, desirable or expedient in order to give effect to the allotment and issue of the said Shares to Dr. Bradley Jay Hamm.”

By Order of the Board
Wong Shuk Ha, Cat
Company Secretary

Hong Kong, 15 May 2015

Notes:

1. Pursuant to the Listing Rules and the Articles of Association of the Company, any vote of member at a general meeting of the Company must be taken by poll except where the chairman of the meeting of the company, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
2. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
3. In the case of joint holders of a Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding, the first named being the senior.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. Any member of the Company may appoint one or more proxies to attend the EGM in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
5. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
6. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:30 p.m. on 31 July 2015 and/or the Hong Kong Observatory has announced at or before 1:30 p.m. on 31 July 2015 that either of the above mentioned warnings is to be issued within the next two hours, the EGM shall automatically be postponed to the next Business Day on which no “black” rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:30 p.m. to 3:30 p.m. and in such case the EGM shall be held at 3:30 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong. “Business Day”, in this context, shall mean a day (not being Saturday, Sunday or public holiday) on which banks in Hong Kong generally are open for business.